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DE RUEHC #1214/01 2102107
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FM SECSTATE WASHDC
TO RUEHSW/AMEMBASSY BERN PRIORITY 4499
INFO MISSILE TECHNOLOGY CONTROL REGIME COLLECTIVE
RUEHAD/AMEMBASSY ABU DHABI 1717
RUEHDE/AMCONSUL DUBAI 7848

S E C R E T SECTION 01 OF 02 STATE 081214

SIPDIS

E.O. 12958: DECL: 07/28/2033

TAGS: [PARM](#) [MTCRE](#) [PREL](#) [MNUC](#) [ETTC](#) [SZ](#) [AEC](#) [IR](#)

SUBJECT: (S) SWISS FIRM'S DISCUSSIONS WITH UAE FIRM ON
SALE OF CONTROLLED EQUIPMENT FOR IRANIAN END-USER

Classified By: ISN/MTR DIRECTOR PAM DURHAM FOR REASONS 1.4 (B),
(C), AND (D).

11. (U) This is an action request. Embassy Bern,
please see paragraph 3.

12. (S) Background/Objective: In early June 2008, the
UAE firm Golden Triangle Testing Equipment L.L.C.
expressed interest in procuring fifty g-Mill 550 Twin
machine tools from the Swiss firm Liechti Engineering
AG. In response, Liechti provided Golden Triangle with
pricing information for a single g-Mill 550 Twin. It
also likely sent a proforma invoice to Golden Triangle.
We believe that this equipment is controlled by the
Nuclear Suppliers Group (NSG) and the Wassenaar
Arrangement, and is well suited to manufacturing
ballistic missile components. The provision of NSG-
controlled items to Iran was prohibited in UNSCRs 1737
and 1803, except for exclusive use in light water
reactors or, for dual use items, if necessary for IAEA
technical cooperation. We also believe the ultimate
end-user is located in Iran, although the specific
identity of this entity is not known. In addition,
paragraph 4 of UNSCR 1737 requires all states to
prevent the transfer to Iran of any item a state
determined would contribute to the development of a
nuclear weapon delivery system. Although we do not
know if Liechti is aware that the end-user is likely
Iranian, we want to urge the government of Switzerland
to investigate this information and ensure that Liechti
is not acting as a supplier of controlled goods to
Iranian end-users.

13. (S) Action Request: Request Embassy Bern approach
appropriate Swiss authorities to deliver talking
points/non-paper in paragraph 4 below and report
response. Talking points also may be provided as a
non-paper.

14. (S) Begin talking points/non-paper:

(SECRET//SWITZERLAND)

-- We would like to raise with you a matter of serious
proliferation concern and request your government's
assistance in investigating this activity.

-- We understand that in early June 2008, the UAE firm
Golden Triangle Testing Equipment L.L.C. expressed
interest in procuring fifty g-Mill 550 Twin machine
tools from the Swiss firm Liechti Engineering AG.

-- Liechti responded to this request by providing
Golden Triangle with pricing information for a single
g-Mill 550 Twin, and likely sent a proforma invoice to
Golden Triangle at a later date.

-- Our information also indicates that the ultimate

end-user is located in Iran, although the specific identity of this entity is unknown.

-- We do not know if Liechti is aware that the end-user is likely Iranian.

-- The g-Mill 550 Twin is controlled by the Nuclear Suppliers Group and the Wassenaar Arrangement, and is well-suited to manufacturing ballistic missile components such as impellers and turbine blades.

-- The provision of NSG-controlled items to Iran was prohibited in UNSCRs 1737 and 1803, except for exclusive use in light water reactors or, for dual use items, if necessary for IAEA technical cooperation.

-- In addition, paragraph 4 of UNSCR 1737 requires all states to prevent the transfer to Iran of any item a state determined would contribute to the development of a nuclear weapon delivery system.

-- We urge you to investigate this information and take all appropriate measures to prevent this transfer and to ensure that Liechti is not acting - even unwittingly - as a supplier of controlled goods to Iranian end-users.

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-- We look forward to hearing of any actions your government takes in response to this information.

End talking points/non-paper.

15. (U) Please contact ISN/MTR's John Paul Herrmann with any questions or follow-up issues related to this case (202-647-1430 - herrmannjp@state.sgov.gov) and slug reporting on this issue for ISN/MTR.

16. (U) A word version file of this document will be posted at www.state.sgov.gov/demarche.
RICE